OUT OF THE SHADOWS: HIDDEN DEBTS AND THE ODIOUS DEBT DOCTRINE IN AFRICA

CONCEPT NOTE

Date: 20th July 2026 at 1400hrs EAT / 1300hrs CAT / 1100hrs GMT

Background

Africa's development financing gap averages about USD 200 billion per annum.[1] To bridge this gap, African States are annually compelled to resort to external borrowing. However, the global sovereign debt architecture is marked by vast differentials in economic and negotiating power among its various actors; geopolitical and profit-maximisation incentives among its creditors; pervasive self-interest among State representatives; as well as differentials in the historical, social, economic and political contexts of African States. This exists without an international mechanism for policing the sovereign debt ecosystem in order to ensure responsible borrowing and lending, or to guarantee accountability where actors abuse their relative positions and powers to impose unfair intergenerational debt burdens or to achieve ulterior neocolonial objectives.

Consequently, African countries have ended up with unsustainable debt burdens, whose debt servicing costs have increasingly crowded out resources for critical public services. Creditors have exploited the lack of formal international regulation and the notion that "States can't go bankrupt" to engage in irresponsible and even criminal lending practices, including the facilitation of corruption and the resulting IFFs. Some African leaders and their close associates have capitalised on this, as well as weaknesses in domestic public debt management oversight mechanisms, to inflate costs, facilitate kickbacks, and convert the proceeds of sovereign debt into personal wealth channelled to offshore accounts with the complicity of some creditors. As a result, successor governments in African States are compelled to rely on creditor goodwill for debt relief or ad hoc mechanisms such as the G20's Common Framework, riddled with its own limitations, without addressing the underlying illegitimacy or odiousness of the sovereign debts in question.

Three recent cases illustrate the urgency of this challenge with particular clarity. In Kenya, a petition has been filed challenging a series of Eurobond issuances as odious, marking one of the first domestic legal mobilisations of the Odious Debt Doctrine (ODD) on the continent and raising critical questions about judicial readiness to engage with international debt law. In Mozambique,

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[1]African Union, 'African Union Conference on Debt, Lome, Togo, 12 to 14th May 2025 – Declaration' (2025).

the so-called "hidden loans" or Tuna Bonds scandal, in which approximately USD 2 billion in state-guaranteed loans were contracted secretly and partly diverted through corruption, with the complicity of international lenders including Credit Suisse, resulted in criminal prosecutions in multiple jurisdictions and exposed the full lifecycle of odious debt: secret contracting, creditor complicity, and devastating public cost. In Senegal, a post-election audit by the new government in 2024 revealed significant underreporting of public debt by the previous administration, bringing to light the systemic risks of opaque borrowing practices and raising questions about the liability of successor governments for debts contracted without legislative oversight or public disclosure. Together, these cases provide a compelling comparative framework for examining the ODD, its current limitations, and the reforms needed to make it an effective instrument of debt justice.

The concept of odiousness and the ODD represent an avenue to plug this gap and ensure responsibility and accountability in sovereign borrowing and lending. Originally conceptualised by Russian scholar and jurist Alexander Nahum Sack in 1927,[2] and widely – though not uncontroversially – cited as the classical formulation of the doctrine, the ODD generally asserts that sovereign debts contracted without popular consent and which do not confer a benefit on the population of the debtor State are unenforceable in international law, more so where the contraction involves the complicity of the creditors.[3] It is worth noting, however, that Sack's formulation was itself developed in a specific geopolitical context designed in part to protect creditor interests, a tension that any African reconceptualisation of the doctrine must directly confront. The doctrine offers a pathway towards debt repudiation and/or cancellation and broader efforts to hold lenders and borrowing regimes accountable. By providing an internationally recognised avenue for challenging debts incurred without consent, without public benefit, or contrary to the interests of the people and with lender complicity, the doctrine seeks to shift debt repayment responsibility away from citizens of debtor States and onto those who enabled or profited from unjust and/or illegitimate borrowing and/or lending.

Despite its relevance, all iterations of the doctrine have a primarily Western or Eurocentric origin and context.[4] These iterations therefore often fail to account for Africa's unique historical, social, political, and economic realities, including structural coercion through conditionality, postcolonial dependency relationships and the legacies of the Structural Adjustment Programmes (SAPs). They also mask the interests of major creditor countries whose financial and geopolitical interests the doctrine threatens. This limits the doctrine's content and scope, as well as its international normative status, thereby impacting its applicability and effectiveness for African countries burdened by debts incurred under odious circumstances.

Considering the above, this webinar draws on AFRODAD's reconceptualised ODD in light of current events and to develop concrete recommendations to apply the ODD to the debt situations in the three countries. Participants will include civil society representatives, academics, parliamentarians and regional experts. The webinar will explore the reconceptualised ODD and

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[2]Alexander Nahum Sack, *Les Effets Des Transformations Des États Sur Leurs Dettes Publiques Et Autres Obligations Financières* (Recueil Sirey 1927).

[3]Robert Howse, 'The Concept of Odious Debt in Public International Law' (2007) UNCTAD Discussion Papers 185; Jeff A King, 'Odious Debt: The Terms of the Debate' (2007) 32 *North Carolina Journal of International Law and Commercial Regulation* 405; Ashfaq Khalfan, Jeff King and Bryan Thomas, 'Advancing the Odious Debt Doctrine' (2003).

[4]Eric Toussaint, 'The Application of the Doctrine of Odious Debt in the Context of Africa' (2022) CADTM; Robert Howse (n 3).

recommend strategies to advance its recognition and application as a tool for debt justice, transparency and accountability in sovereign debt management. Additionally, it will serve as a platform for dialogue, knowledge sharing, and collaborative problem-solving to address the complexities of sovereign debt in Africa. Ultimately, the webinar seeks to contribute to a sound normative framework governing Africa's sovereign debt, informed decision-making and policy formulation to ensure sustainable debt levels and mitigate financial risks across the continent.

Objectives

1. To examine the Kenya, Mozambique, and Senegal cases as comparative entry points into the ODD, drawing out lessons on creditor complicity, domestic legal mobilisation, and the consequences of opaque borrowing practices.
2. To explore the relationship between odious sovereign debt and illicit financial flows (IFFs) in Africa, including measures through which resolution of odious debt may contribute to curbing capital flight.
3. To explore the strategic avenues through which African States, the African Union, civil society, and other stakeholders may utilise the reconceptualised ODD to secure debt cancellation and/or repudiation and to address debt-related IFFs.
4. To discuss the legal reforms and institutional mechanisms required at both national and continental levels to facilitate the prevention of odious debt and the conferment of prescriptive normative standing to the ODD.

Expected Outcomes

1. Improved understanding and application of the ODD – Key stakeholders in Kenya, Mozambique, and Senegal deepen their understanding of the ODD, its reconceptualisation from an African perspective, and its potential application in their respective country contexts.
2. Identification of specific IFFs channels embedded in each country case and propose targeted measures to address them.
3. Creation of a roadmap for civil society, lawyers and parliamentarians to invoke or advance the ODD in ongoing debt negotiations, litigation or legislative processes.
4. Concrete recommendations for legal and institutional reforms at national and continental levels to be submitted to the African Union and relevant national Parliaments for consideration.

Format and Participants

The primary aim of the webinar is to involve various stakeholders including civil society, academics, government officials, parliamentarians, and legal experts in order to present a range of viewpoints on the Odious debt doctrine and how present-day debt conundrums in countries like Kenya and Senegal can be understood and addressed. In this regard, the webinar will be driven by Panelists' insights followed by an interactive discussion with the audience.

Agenda

Time (EAT)	Item	Person(s) Responsible
2.00 – 2.10	Welcome remarks, scene-setting and Moderation	Moderator: Afshin Nazir, AFRODAD
2.10 - 2.45	Remarks from each panelist (Please note that guiding questions will be shared ahead of the webinar to enable preparation)	**Panelists:** • Dr. Marie-Louise Aren • Dr. Henry Paul Gichana – Katiba Institute • Mr. Elimane Kane – LEGS-Africa • Mr. Borges Nhamirre – FMO Mozambique
2.45 - 3.30	Q&A Session	ALL
3.30 - 3.45	Closing Remarks	Panelists and moderator

Contact Person

In case of any questions or clarifications around this webinar, please reach out to the persons listed below.

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About Us

The African Forum and Network on Debt and Development (AFRODAD) is a Pan-African civil society organisation established in 1996 to advocate for debt cancellation and addressing debt related issues in Africa. Over the past 25 years, AFRODAD has built expertise on public debt management issues and its intersectionality with domestic resource mobilisation, and international public and private finance in Sub-Saharan Africa and continues to be concerned that African economies do not become highly indebted and in debt distress as in the 1980s. We work with government officials across Africa, Members of Parliament, media and journalists, civil society organisations, and representatives from the global financial architecture at continental and global levels. We advocate for accountable and transparent public debt and financial management; strengthening of legal and policy frameworks to curtail leakages through illicit financial flows and profit shifting; prioritising revenue generating opportunities through all forms of finance in Africa. Our work focuses on influencing African governments and institutions to adopt accountable and transparent public debt management policies and practices for sustainable development and eradication of poverty. Since our establishment, we have been contributing to finding sustainable solutions to Africa's challenges in debt management and resource mobilisation, including financial development. Our main focus areas are Sovereign Debt Management, Domestic Resource Mobilisation, International Public and Private Finance and Legal Analysis of these aspects.